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## PRESS NOTICE

### CANCELLATION OF DMO HOLDINGS OF “RUMP” GILTS

The UK Debt Management Office (DMO) announces today the cancellation on Monday 16 March 2015 of approximately £3.2 million (nominal) of its current holdings in those gilts that have been designated as “rump” gilts. “Rump” gilts are those with amounts in issue deemed by the DMO to be too small to expect a reasonably liquid two-way market to exist in them.

The table in Notes for Editors below lists the nominal amount of each gilt being cancelled and the residual amounts in issue for all “rump” gilts, as of 16 March 2015<sup>1</sup>. The DMO is not cancelling its holdings in 3% Treasury Stock, given that this bond will be redeemed on 8 May 2015.

The cancellations of 3½% Conversion Stock are being carried out as required by the terms of its Sinking Fund, notwithstanding that this bond will be redeemed on 1 April 2015.

The government announced on 3 December 2014, that it would adopt a strategy to remove the remaining undated gilts from the portfolio where that was deemed value for money to do so. This strategy will also take into account the government’s intention to reflect in the gilt portfolio those aspects of major sovereign bond markets of most importance to global investors; importantly including a continued focus on a benchmark issuance strategy to create large liquid stocks (thereby facilitating investor access to the market).

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<sup>1</sup> Both amounts have been rounded to the nearest £0.1 million.

## NOTES FOR EDITORS

The DMO maintains a list of those gilts designated as “rumps” in the gilts in issue list on its website at [http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts\\_In\\_Issue](http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts_In_Issue)

The DMO last cancelled its holdings of “rump” gilts on 17 March 2014 and stated in its Press Notice of 14 March 2014 that it expected to execute similar cancellations on an annual basis. The DMO’s current holdings of “rump” gilts have been accumulated since the last cancellations in March 2014 as a result of its role as “buyer of last resort” in these gilts. The DMO will continue to bid prices, upon request from Gilt-edged Market Makers, in all “rump” gilts

The cancellations announced today, of approximately £3.2 million (nominal), account for some 0.7% of the amount of “rump” gilts in issue before these cancellations. Following the cancellations, the (nominal) amount of “rump” gilts in issue will comprise approximately £431.6 million, some 0.03% of the total gilt portfolio<sup>2</sup>. See the table below.

<b>"Rump" Gilts at 13 March 2015</b>	<b>Redemption date</b>	<b>Amount being cancelled (£mn nom)</b>	<b>Amount in issue at 16 March 2015 (£mn nom)</b>
2½% Treasury	Undated	2.2	218.7
2½% Consolidated	Undated	0.9	161.2
3% Treasury	8-May-15	0.0	34.6
3½% Conversion	1-Apr-15	0.2	15.5
2½% Annuities	Undated	0.0	0.9
2¾% Annuities	Undated	0.0	0.7
<i>Figures may not sum due to rounding.</i>		<b>3.2</b>	<b>431.6</b>

This press notice will be appearing on the DMO’s website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)

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<sup>2</sup> Including inflation-linked uplift.